

Judge Richard A. Jones

UNITED STATES DISTRICT COURT FOR THE  
WESTERN DISTRICT OF WASHINGTON  
AT SEATTLE

UNITED STATES OF AMERICA,

CASE NO. C14-1203

(2:12-CR-0133-1)

Plaintiff,

v.

**ORDER ADOPTING PARTIES'  
STIPULATION**

MARK F. SPANGLER; and  
SPANGLER GROUP, INC.  
RETIREMENT PLAN,

Defendants,

v.

KLJ CONSULTING LLC; and  
KENT L. JOHNSON, KLJ Consulting  
LLC's Managing Director, General  
Receiver of THE SPANGLER GROUP,  
INC.,

Garnishee.

THIS MATTER CAME BEFORE THE COURT pursuant to the Writ of Garnishment proceeding commenced by the United States of America ("United States") and directed to garnishee defendant KLJ Consulting LLC, and Kent L. Johnson, Managing Director of KLJ Consulting LLC, as General Receiver of the Spangler Group, and the related Motion to Quash the Writ of Garnishment filed by intervenor, the Spangler Group Retirement Plan..

The Court has reviewed the stipulation (Dkt. # 27) of the United States, the Receiver, and the Plan, which the parties submitted in compliance with the court's October 24, 2014

**ORDER ADOPTING PARTIES' STIPULATION - 1**

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1 order (Dkt. # 26). In large part, the court adopts the parties' stipulation, which permits the  
2 court to terminate this civil action. Because the parties do not adequately explain their desire  
3 for the court to both enter "partial judgment" on the writ of garnishment and to "release[] and  
4 dismiss[] the writ of garnishment, and because the parties proposed no partial judgment, the  
5 court declines to enter a judgment. This order reflects that the court adopts the parties'  
6 stipulation as to the interests of Mark Spangler and Luann Renfrow in the assets of the Plan,  
7 and that it accepts the parties' contingent plans for seizing Mr. Spangler's Plan assets in the  
8 event that the state court presiding over the receivership proceeding allows the Plan's claim  
9 to the Plan assets. The court does not believe a judgment is necessary, but the parties are  
10 free to move for one if they believe otherwise.

11 The court orders as follows:

- 12 1. The United States is entitled to garnish from the Plan, which entity is presently in  
13 state court receivership proceedings ("Receivership Proceedings") (King County  
14 Cause No. 11-2-22214-4), an amount equal to Mark Spangler's interest in the  
15 Plan's Claim, as filed in such Receivership Proceeding, which interest has been  
16 agreed by the parties hereto to be 73.9% of the Plan's assets. Accordingly, if the  
17 court in the Receivership Proceedings denies the Plan's Claim then Mr. Spangler's  
18 interest therein is effectively \$0.00, and the United States shall garnish nothing by  
19 reason of this order. If the court in the Receivership Proceedings allows the Plan's  
20 Claim, the Plan shall satisfy the United States' garnishment right by paying  
21 73.9% of the amount distributable on account of the Plan Claim (per the  
22 distribution metrics and methods established in the Receivership Proceeding) into  
23 the registry of this Court to be held until such time as Mark Spangler's appeal of  
24 his criminal conviction is reviewed by the Court of Appeals;
- 25 2. The parties have agreed on no relief as to Luann Renfrow's percentage interest in  
26 the Plan Claim or Plan's assets, which the parties have agreed to be 26.1% of the  
27 Plan's assets;

28  
**ORDER ADOPTING PARTIES' STIPULATION - 2**

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3. If the Plan Claim is allowed in the Receivership Proceeding, The Spangler Group Receiver is expressly authorized by the parties to distribute 26.1% of the amount distributable on account of the Plan Claim to the Plan;
4. United States has reserved and maintains all rights against the Plan and/or respecting any amounts distributed by the Spangler Group Receiver to the Plan and nothing shall preclude the United States from initiating *in rem* forfeiture proceedings against Ms. Renfrow's portion of the Plan's assets.
5. Following entry of this Order, the Receiver shall move the Receivership Court to allow the Plan Claim, distribute and pay over to the registry of this Court 73.9 % of the amounts distributable on account of the allowed Plan Claim in satisfaction the United States' garnishment interest , and distribute and pay over to the Plan 26.1% of the amounts distributable on account of the Plan Claim (i.e., Luann Renfrow's agreed share or interest in the Plan assets.)
6. The Plan has contingently waived and released any and all claims and actions, known or unknown, against the Receiver and/or the Spangler Group relating to or arising out of the Receiver's management of the Plan's assets, and/or the Receiver's disbursement of amounts allocable and/or distributable on account of the Plan Claim per the metrics and methods for approved claims in the Receivership Proceeding. Such contingent waiver and release shall become final and binding upon payment to the Plan of 26.1% of the amount distributable on account of the Plan Claim.
7. The clerk shall TERMINATE this civil action.

DATED this 12th day of December, 2014.



The Honorable Richard A. Jones  
United States District Court Judge

**ORDER ADOPTING PARTIES' STIPULATION - 3**

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